GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5004
ANSWERED ON:25.08.2000
RATES OF DUTY DRAW BACK
MADHAVRAO SCINDIA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have declared new all-India rates of duty draw back for fiscal 2000-01;

(b) if so, the details thereof; and

(c) how far the new scheme goes to rationalise the earlier duty drawback regime and the exports of which class and category of items are to be promoted thereby indicating the export targets for various classes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a) & (b): Yes, Sir. The All Industry Rates of Duty Drawback for the fiscal year 2000-2001 have been notified with effect from 1st June, 2000. Th duty drawback rates have been declared in respect of 826 categories of export products.

(c): The All Industry Rates ofDuty Drawback are fixed under the Customs & Central Excise DutiesDrawback Rules, 1995. These rates are fixed by taking into consideration the duties of Customs & Central Excise suffered on theraw materials used in the manufacture of the export products. As a part of rationalisation of duties of Customs & Central Excise suffered this year in the Union Budget 2000-2001, the peak rate of Customs duty has been reduced to 35% from 40% earlier. The 10% surcharge on basic duty is now applicable to all the duty rates. The 4% special additional duty is now applicable to all imports whether effected by manufacturers or traders. The Central Excise duty slabs of 8%, 16% and 24% prevailing last year have now been merged into a single rate of 16% which is known as CENVAT. Accordingly, as a measure of rationalisation, the new Drawback Schedule has the following significant features:-

i) The drawback rates have been increased in respect of 141 categories owing to levy of special additional duty of 4% and increase of Central Excise duty from 8% to 16%.

ii) 9 new entries have been introduced to expand and amplify the scope of drawback schedule.

iii) The drawback rates have been maintained at the last year`s level in respect of 406 entries.

iv) Drawback rates have been revised downwards in consonance with the decrease in Customs & Central Exciseduties as regards 270 entries.